

RELIEF OF THE GOVERNMENT OF ICELAND

JULY 28, 1959.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 1590]

The Committee on Foreign Relations, having had under consideration (S. 1590) a bill for relief of the Government of the Republic of Iceland, reports the same favorably and recommends that it be approved by the Senate.

PURPOSE OF THE BILL

The bill would dispose of claims involving the Governments of the United States and Iceland, one against the other. The claims arose from accidents involving U.S. armed services personnel stationed in Iceland during the period 1941-47, under the terms of an agreement between the two countries that covered this period.

BACKGROUND AND COMMITTEE ACTION

Under the agreement, dated July 1, 1941, the United States agreed to "undertake defense of the country without expense to Iceland," and promised "compensation for all damage occasioned to the inhabitants by their military activities." The agreement was similar to several others that were concluded with governments in which the United States had stationed military personnel.

In all, there are 374 accident claims against the United States held by two Icelandic insurance companies. They amount to 144,994 kronur. U.S. counterclaims against these same companies amount to 56,994 kronur, a difference of 88,000, which, at the rate of exchange 16.36 kronur to \$1, amounts to \$5,378.98, the sum agreed upon and recommended in this bill.

In 1953, the Department of the Army notified the Department of State that it had no funds under existing claims statutes with which to settle the obligations with the two insurance companies, and asked the State Department to negotiate final settlement with Iceland. This was done, and the agreement was signed in November 1956. The bill under consideration would implement that agreement.

On July 23, Maj. Noel F. Cipriano, of the Army, provided some of the background for this bill as he testified before the committee in executive session.

COMMITTEE RECOMMENDATIONS

The committee is confident that the bill represents an equitable settlement of the claims that arose from the wartime agreement between the United States and Iceland. Therefore, it is recommended that the Senate approve the bill.

